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Executive Registry
70-1006

26 February 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Executive Director-Comptroller on 25 February 1970

1. Present were:

Colonel White, Executive Director-Comptroller
Mr. Karamessines, DD/P
Mr. Duckett, DD/S&T
Mr. Proctor, A/DD/I
Mr. Coffey, A/DD/S
Mr. Houston, General Counsel
Mr. Stewart, Inspector General
Mr. Knoche, AD/PPB

2. Knoche gave a status report on problem areas in Agency ADP as noted by the Information Processing Board after some three months of its existence. While there are no urgently critical problems to be dealt with immediately, there are a number that loom on the horizon. The Board intends to deal with these to the extent possible. These problems include: growth of installation of remote terminal devices; wide-ranging plans for up-grading of equipment in ADP components; the difficulty in determining the appropriate degree of security to be applied to ADP; the need to adopt a more positive, constructive role in Community arrangements; the need to develop free-flowing dialogue between ADP components and OCS in order to obtain maximum expert advice and counsel; identification of special resource needs as we identify areas requiring special kinds of competence; and the need to develop a good, solid ADP plan to show trends in uses and costs and develop goals and objectives as well. Future problems will take the Board into such matters as automatic dissemination; storage capacity; relating ADP and information handling technology to our stations abroad; and recruitment, training and career service arrangements for ADPers.

SECRET

Excluded from automatic downgrading and declassification

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3. The Executive Director noted the importance of maintaining a "tactful" and constructive attitude with regard to Community arrangements, particularly in order to avoid making the Director vulnerable to criticism. The DD/S&T thought the Agency had every right to claim expertise and leadership in regard to its use of ADP and thought the time had come for us to make special arrangements and use the very best representatives to get this story told to our critics, particularly in the PFIAB. The DD/P observed that it seemed bad practice not to use those directly involved in the ADP job to tell this story. Colonel White indicated that he would take this up with the Director.

4. Colonel White urged the Deputies to see to it that their representatives on the IP Board are not parochial and wear an Agency hat when considering matters of moment. Referring to up-grading plans, Colonel White said he must look at all significant up-grading intentions even if approved budgets contain sums for this purpose.

5. The DD/S&T said he thought the Director was not sufficiently aware of the extent to which the support he gets from all Directorates ultimately rests upon the availability of ADP. Colonel White suggested that all in attendance find ways to let the Director know that this is the case.

6. The meeting then turned to the second item on the agenda -- the proposed approval policy system. The Executive Director provided background on this item, explaining that its origin last summer was an effort to tidy up disparate approval policies among the various Directorates and to arrange for periodic reconsideration of various projects. Ultimately, a revised policy paper was prepared and the general approval of the DDCI and DCI was obtained subject to further discussions with the Deputies. Colonel White invited comments.

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7. The DD/P said that if the policy is adopted with its proviso for top-level review of projects which accumulate a total of [redacted] or more, this would affect about [redacted] Clandestine Service projects and would constitute a sizeable load for the top level to consider. Furthermore, in time, almost all projects would have to come upstairs. In principle, moreover, the DD/P does not like any arrangement which would call for so many clandestine projects to be dealt with in detail outside the Directorate. Further, the DD/P would find it difficult to make five-year projections concerning the financial management involved in the project; it is difficult now with the two-year

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stipulation. The DD/P said he could understand the desire for uniformity of Directorate practices, but that some consideration should be given to the "peculiar and specific nature" of the individual Directorates. He noted that agent payments might be exempted from the [redacted] threshhold, but that this would be so complicated as to be impractical. With regard to the threshhold for new projects, the DD/P said he could stay with current arrangements which he found "structurally" adequate. Colonel White observed that the trouble with this is that the projects never come back again for further review. The DD/P replied that any project can be brought up at any time at PPB's or the Executive Director's request. He stated a willingness to make projects available for scrubbing and review whenever he is requested to do so and he would have no objection if PPB or the Executive Director ticked off a whole series of projects for scrubbing during the course of program reviews. The DD/P said he was convinced that the review mechanism had improved a great deal over the past two years.

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8. The DD/S&T said he felt basically negative about the paper. He was a bit worried about what kind of detailed "monster" regulation might flow from the policy statement. He thought the cumulative threshhold, if taken literally, would be inoperable and would require going forward with a host of very small expenditures. He thought the whole mechanism relating to dollar threshholds reflected a weakness in the PPBS. Rather than deal with dollar levels of the individual project, priorities and the funding levels should be assigned to whole categories so that projects comprising the categories could be structured with better definition and guidance. He and the A/DD/I both thought that the reference to support costs would be difficult to interpret. The DD/S&T, like the DD/P, felt the paper made too much of inconsistency within Directorates. He said he would welcome more review, not less; the question was how often. Review would best take place at a time when a big decision has to be made and not at some artificial time during the year. He noted that as currently scheduled the Deputies met annually with the DCI for one hour. He thought this was too infrequent and that there should be a quarterly review, either with the DCI, DDCI or the Executive Director.

9. The Inspector General said there needs to be a better system for project review and thought this could be scheduled conveniently by PPB in consultation with the Directorates. He thought that such review should be "zero-based," that is, looked at afresh annually. He noted that we tend to repeat our judgments every year and we do not take enough time for review.

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10. The Executive Director concluded by stating that he feels there is need to tidy up the existing regulations. He thought that the comments had been very constructive and perhaps O/PPB can in the programming process identify, in the course of its hearings, those things in need of consideration and at what level and that defining the dollar limits for such consideration might not be necessary. He said he would consider all this and report back to the Deputies in due course.

11. The Executive Director tabled a paper prepared by the Office of Personnel concerning the numbers of married couples on duty in the Agency and said that this paper would be discussed at a future meeting.

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E. H. Knoche
Acting Director of Planning,
Programming and Budgeting

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